VZCZCXRO4068 OO RUEHROV DE RUEHTV #0913/01 0821639 ZNY CCCCC ZZH O 231639Z MAR 07 FM AMEMBASSY TEL AVIV TO RUEHC/SECSTATE WASHDC IMMEDIATE 0191 INFO RUEHXK/ARAB ISRAELI COLLECTIVE RUEHKO/AMEMBASSY TOKYO 0425 RHEHNSC/NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 000913

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E.O. 12958: DECL: 03/22/2017 TAGS: ECON ETRD PREL KWBG PBTS IS
SUBJECT: GOI TO TAKE STEPS TO SPEED UP AMA IMPLEMENTATION

REF: A) TEL AVIV 502 B) TEL AVIV 883

Classified By: Ambassador Richard H. Jones for reasons 1.4 (b, d)

(C) SUMMARY: During a March 22 meeting of the Core Group for implementation of the Agreement on Movement and Access (AMA), Deputy Defense Minister Ephraim Sneh pointed to GOI progress in reducing obstacles to movement and increasing the flow of agricultural goods through crossing points. He agreed to increase the frequency of bi-lateral meetings -particularly among interagency $\bar{\text{working}}$ groups -- and recommend practical ways to speed up AMA implementation. Although GOI security concerns about an open West Bank-Gaza passenger link remain, Sneh reported that the GOI was developing a pilot project involving humanitarian medical convoys that could be expanded in the future. On crossings, the Ambassador called for the GOI to sign on to the Customs Protocol, which would facilitate opening Kerem Shalom and provide an alternative to the Rafah crossing. Sneh pledged to seek Prime Minister Olmert's approval. Finally, Sneh supported a two-track follow-up to the Palestinian Economic Development Seminar held at the Ambassador,s residence on February 13. One track, which is ongoing, looks to solve immediate problems and is headed by Coordinator of Government Affairs in the Territories (COGAT) Coordinator General Mishlev and Chief Palestinian Negotiator Saeb Erekat. other, trilateral, track will focus on plans for developing the Palestinian agriculture and industrial sectors with input from NGOs and international experts. END SUMMARY.

PROGRESS ON AMA IMPLEMENTATION ...

12. (C) In a meeting of the Core Group for the implementation of the AMA on March 22, Deputy Defense Minister Sneh highlighted for the Ambassador several recent GOI measures that he said have resulted in tangible improvements in the quality of life for Palestinians. Such actions include removing barriers to movement, creating more jobs and boosting exports in the agricultural and industrial sectors, facilitating access for tour groups and clergy during religious holidays, and increasing the total number of work permits for private sector Palestinians by 21,200 (84%) since May of 2006. Moreover, Sneh cited specific steps unrelated to movement and access taken by the GOI "in the spirit of the AMA," as signs of progress. These include providing oxygen generators and immunizations to hospitals in Gaza, promoting Israeli-Palestinian scientific cooperation, and several electricity and infrastructure projects.

... BUT MOVING TOO SLOWLY

13. (C) The Ambassador expressed appreciation for GOI assistance in keeping traffic moving at the Karni crossing and in removing empty containers from Gaza, but noted that it had taken one month for the joint Economic Committee (described in ref A) to reconvene. The Ambassador also called for increasing the frequency of bi-lateral meetings, particularly among interagency working groups, including on crossings, to agree on common terms of reference and recommend practical steps to speed AMA implementation. The Economic Counselor explained the U.S. interest in a renewal of the working group on crossings. He pointed out that previous discussions had identified specific steps that could be taken in accordance with accepted international standards to improve crossing operations, such as signing onto a Customs Protocol and instituting a transparent scheduling system. Sneh agreed that working groups were a good idea, and noted that the MOD would include other appropriate GOI entities, such as the Airport Authority, in the discussions.

GOI CONSIDERING MEDICAL CONVOYS PILOT PROJECT

14. (C) Regarding convoys and a West Bank-Gaza link, Sneh acknowledged that security concerns remain a major impediment to progress. There is a fear that some Palestinians would use convoys and increased freedom of movement to facilitate terrorist operations. As a humanitarian gesture, and in an effort to test the feasibility of implementing a West Bank-Gaza link, Sneh said that he had just tasked COGAT MG Mishlev to develop a "medical convoys pilot project" that would shuttle patients in need of medical treatment, usually

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accompanied by a family-member escort, from Gaza to the West Bank and back. A transportation company from East Jerusalem would operate the shuttle route between Erez and Ramallah, and would not charge the passengers. Sneh confirmed that the GOI would need to seek sufficient funds in the budget to finance the pilot project. Once assured that the medical convoys were "not dangerous," the GOI could consider expanding the project to include non-medical convoys accommodating elderly people and other approved passengers. Sneh said that he would ask Mishlev to brief the Core Team on the project.

CROSSINGS

15. (C) On the Rafah Crossing Point, the Ambassador noted that EU-BAM Commander LTG Pietro Pistolese requested USG assistance for the EU's efforts to normalize operations. Citing the lack of response to his April 2006 letter, the Ambassador said that Israel's continued failure to sign the Customs Protocol was keeping Kerem Shalom from operating as an alternative to Rafah. He urged the GOI to complete this process. Sneh agreed that opening Kerem Shalom would be mutually beneficial to Israelis and Palestinians, and pledged to raise the issue with the Prime Minister. He cautioned, however, that all parties would need to make sure that funds did not go to the Hamas-led Palestinian government. The Ambassador underscored the USG commitment on this issue, adding that Palestinian President Mahmoud Abbas had assumed control over crossings operations. Sneh also confirmed GOI willingness to approve exports from Rafah (see also ref B).

COORDINATION AND FOLLOW UP

16. (C) To follow up on the Palestinian Economic Seminar held at the Ambassador,s residence on February 13, Sneh signaled approval for trilateral working-level meetings that would

include international experts and NGOs to address Palestinian agriculture and industrial development. This track would augment problem-solving discussions being held March 22 between General Mishlev and Negotiations Chief Erekat. He suggested the Embassy work with MOD Senior Advisor Haggai Alon to follow up on these discussions as well as on multilateral projects such as the Ankara Initiative and the Corridor for Peace and Prosperity Initiative with Japan. Finally, Sneh also promised to consider the Ambassador's request to extend the Gaza offshore fishing limit for the remainder of the sardine season (ref B).

PARTICIPATION

17. (U) ISRAEL
Deputy Defense Minister Ephraim Sneh
Senior Advisor Haggai Alon
Naval Aide Commander Cohen

LtCol Daniel Beaudoin LtCol (Reserve) Oded Herman

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